

# **2013 DRAFTING REQUEST**

## **Bill**

Received:	<b>9/3/2013</b>	Received By:	<b>jkreye</b>
Wanted:	<b>As time permits</b>	Same as LRB:	<b>-3456</b>
For:	<b>Dale Kooyenga (608) 266-9180</b>	By/Representing:	<b>rachel</b>
May Contact:		Drafter:	<b>jkreye</b>
Subject:	<b>Tax, Other - miscellaneous</b>	Addl. Drafters:	
		Extra Copies:	

Submit via email: **YES**  
 Requester's email: **Rep.Kooyenga@legis.wisconsin.gov**  
 Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

## **Pre Topic:**

No specific pre topic given

## **Topic:**

DOR technical; various changes

## **Instructions:**

See attached

## **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 9/4/2013	kfollett 9/6/2013	phenry 9/6/2013	_____			
/P1	jkreye 9/20/2013			_____	srose 9/6/2013		State S&L
/P2	jkreye 10/10/2013	kfollett 9/20/2013	jfrantze 9/23/2013	_____	lparisi 9/23/2013		State S&L
/P3	jkreye	jdyer	jfrantze	_____	sbasford		State

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	10/14/2013	10/11/2013	10/11/2013	_____	10/11/2013		S&L
/1		evinz	rschluet	_____	srose	lparisi	State
		10/15/2013	10/15/2013	_____	10/15/2013	10/23/2013	S&L

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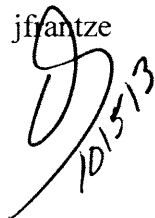
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1 ePV  
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For: **Revenue** By/Representing: **mike**  
May Contact: Drafter: **jkreye**  
Subject: **Tax, Other - miscellaneous** Addl. Drafters:  
Extra Copies:

Submit via email: **YES**  
Requester's email: **MichaelW.Wagner@revenue.wi.gov**  
Carbon copy (CC) to: **joseph.kreye@legis.wisconsin.gov**

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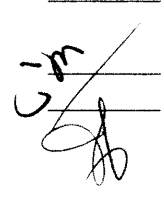
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/?	jkreye						

FE Sent For:

**<END>**

## Kreye, Joseph

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**From:** Wagner, Michael W - DOR <MichaelW.Wagner@revenue.wi.gov>  
**Sent:** Wednesday, August 21, 2013 8:22 PM  
**To:** Kreye, Joseph  
**Subject:** FW: LRB 13a0740 Topic: DOR technical; technical amendment  
**Attachments:** LRB a0740\_1.pdf

Joe,

Thanks for getting this to me so quickly.

Unfortunately, my negotiations on the bill with the involved Legislators today took this in a different direction.

I'm going to need this redrafted as a bill with the following changes:

-Delete Page 3, lines 22-23 and Page 4, lines 1-10. The assessing provision is now no longer part of the consideration set.

Add:

Provision that would allow first-year claimants of the relocation credit in 2013 to be able to also claim the credit in 2014, even though the credit sunsets. We propose an effective date of taxable years beginning after December 31, 2012 and before January 1, 2015. Our suggested drafting instructions follow:

- Renumber sec. 71.05(6)(b)47.e., Wis. Stats., to sec. 71.05(6)(b)47.f.
- Amend sec. 71.05(6)(b)47.am., Wis. Stats., to read:

For taxable years beginning after December 31, 2010, and before January 1, 2014, for 2 consecutive taxable years beginning with the taxable year in which the claimant's business locates to this state from another state or another country and begins doing business in this state, as defined in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d. and e. through f., the profit or loss from a trade or business as reported on federal income tax return schedules C and F or their equivalents, plus ordinary gain or loss on the sale of business assets, as determined under s. 71.01 (6), but not less than zero, multiplied by the apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7).

- Amend sec. 71.05(6)(b)47.b., Wis. Stats., to read:

With respect to partners and members of limited liability companies, for taxable years beginning after December 31, 2010, and before January 1, 2014, for 2 consecutive taxable years beginning with the taxable year in which the partnership's or limited liability company's business locates to this state from another state or another country and begins doing business in this state, as defined in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d. and e. through f., the partner's or member's distributive share of taxable income as calculated under section 703 of the Internal Revenue Code; plus the items of income and gain under section 702 of the Internal Revenue Code, including taxable state and municipal bond interest and excluding nontaxable interest income or dividend income from federal government obligations; minus the items of loss and deduction under section 756702 of the Internal Revenue Code, except items that are not deductible under s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r); and plus or minus, as appropriate, transitional adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15), (16), (17), and (19), multiplied by the apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7) or by separate accounting. No amounts subtracted under this subd. 47. b. may be included in the modification under par. (b) 9. or 9m.

- Amend sec. 71.05(6)(b)47.c., Wis. Stats., to read:

dm.  
With respect to shareholders of a tax-option corporation, for taxable years beginning after December 31, 2010, and before January 1, 2014, for 2 consecutive taxable years beginning with the taxable year in which the tax-option corporation's business locates to this state from another state or another country and begins doing business in this state, as defined in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d. and e. through f., the shareholder's distributive share of the entity's net income or loss as determined under this chapter, including interest income from federal, state, and municipal government obligations, multiplied by the apportionment fraction determined in s. 71.25 (6m) and subject to s. 71.25 (9) or by separate accounting. No amounts subtracted under this subdivision may be included in the modification under par. (b) 9. or 9m.

- Amend sec. 71.28(9s)(d)3., Wis. Stats., to read:

✓ No credit may be claimed under this subsection for taxable years beginning after December 31, 2013, except that a claimant who is first eligible to claim a credit under this subsection for taxable years beginning after December 31, 2012 and before January 1, 2014, may claim the credit in the following taxable year. Credits under this subsection for taxable years that begin before January 1, 2014, may be carried forward to taxable years that begin after December 31, 2013.

- Amend sec. 71.47(9s)(d)3., Wis. Stats., to read:

No credit may be claimed under this subsection for taxable years beginning after December 31, 2013, except that a claimant who is first eligible to claim a credit under this subsection for taxable years beginning after December 31, 2012 and before January 1, 2014, may claim the credit in the following taxable year. Credits under this subsection for taxable years that begin before January 1, 2014, may be carried forward to taxable years that begin after December 31, 2013.

- ✓ • Create sec. 71.05(6)(b)47.f., Wis. Stats., to read:

dm  
No deduction may be claimed under this subdivision for taxable years beginning after December 31, 2013, except that a claimant who is first eligible to claim a deduction under this subdivision for a taxable year beginning after December 31, 2012 and before January 1, 2014, may claim the deduction the following taxable year.

Thanks,

Mike Wagner  
Deputy Administrator, R&P  
(608) 266-6785

---

**From:** LRB.Legal [mailto:lrblegal@legis.wisconsin.gov]  
**Sent:** Wednesday, August 21, 2013 3:34 PM  
**To:** Wagner, Michael W - DOR  
**Subject:** LRB 13a0740 Topic: DOR technical; technical amendment

The attached proposal has been jacketed for introduction.

A copy has also been sent to: [joseph.kreye@legis.wisconsin.gov](mailto:joseph.kreye@legis.wisconsin.gov)

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**ASSEMBLY AMENDMENT ,  
TO ASSEMBLY BILL 285**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 6, line 9: after that line insert:

3 “**SECTION 4d.** 71.05 (8) (b) of the statutes, as affected by 2013 Wisconsin Act 20,  
4 is renumbered 71.05 (8) (b) 1.

5 **SECTION 4e.** 71.05 (8) (b) 2. of the statutes is created to read:

6 71.05 (8) (b) 2. The taxpayer need not make the offset against Wisconsin  
7 modified taxable income of the 2 years preceding the loss, as provided under subd.  
8 1., if the taxpayer chooses not to carry back the net operating loss to the 2 years  
9 preceding the loss.

10 **SECTION 4f.** 71.05 (8) (c) of the statutes is created to read:

11 71.05 (8) (c) The department shall not pay interest on any overpayment that  
12 results from the carryback of a net operating loss.”.

13 **2.** Page 7, line 11: after that line insert:

1           **“SECTION 11d.** 71.52 (6) of the statutes is amended to read:

2           71.52 (6) “Income” means the sum of Wisconsin adjusted gross income and the  
3 following amounts, to the extent not included in Wisconsin adjusted gross income:  
4 maintenance payments (except foster care maintenance and supplementary  
5 payments excludable under section 131 of the internal revenue code), support money,  
6 cash public assistance (not including credit granted under this subchapter and  
7 amounts under s. 46.27), cash benefits paid by counties under s. 59.53 (21), the gross  
8 amount of any pension or annuity (including railroad retirement benefits, all  
9 payments received under the federal social security act and veterans disability  
10 pensions), nontaxable interest received from the federal government or any of its  
11 instrumentalities, nontaxable interest received on state or municipal bonds,  
12 worker’s compensation, unemployment insurance, the gross amount of “loss of time”  
13 insurance, compensation and other cash benefits received from the United States for  
14 past or present service in the armed forces, scholarship and fellowship gifts or  
15 income, capital gains, gain on the sale of a personal residence excluded under section  
16 121 of the internal revenue code, dividends, income of a nonresident or part-year  
17 resident who is married to a full-year resident, housing allowances provided to  
18 members of the clergy, the amount by which a resident manager’s rent is reduced,  
19 nontaxable income of an American Indian, nontaxable income from sources outside  
20 this state and nontaxable deferred compensation. Intangible drilling costs,  
21 depletion allowances and depreciation, including first-year depreciation allowances  
22 under section 179 of the internal revenue code, amortization, contributions to  
23 individual retirement accounts under section 219 of the internal revenue code,  
24 contributions to Keogh plans, net operating loss carrybacks and carry-forwards and  
25 capital loss carry-forwards deducted in determining Wisconsin adjusted gross



1 income shall be added to “income”. “Income” does not include gifts from natural  
2 persons, cash reimbursement payments made under title XX of the federal social  
3 security act, surplus food or other relief in kind supplied by a governmental agency,  
4 the gain on the sale of a personal residence deferred under section 1034 of the  
5 internal revenue code or nonrecognized gain from involuntary conversions under  
6 section 1033 of the internal revenue code. Amounts not included in adjusted gross  
7 income but added to “income” under this subsection in a previous year and repaid  
8 may be subtracted from income for the year during which they are repaid.  
9 Scholarship and fellowship gifts or income that are included in Wisconsin adjusted  
10 gross income and that were added to household income for purposes of determining  
11 the credit under this subchapter in a previous year may be subtracted from income  
12 for the current year in determining the credit under this subchapter. A marital  
13 property agreement or unilateral statement under ch. 766 has no effect in computing  
14 “income” for a person whose homestead is not the same as the homestead of that  
15 person’s spouse.

16 **SECTION 11e.** 71.58 (7) (a) of the statutes is amended to read:

17 71.58 (7) (a) For an individual, means income as defined under s. 71.52 (6), plus  
18 nonfarm business losses, plus amounts under s. 46.27, less net operating loss  
19 carrybacks and carry-forwards, less first-year depreciation allowances under  
20 section 179 of the internal revenue code and less the first \$25,000 of depreciation  
21 expenses in respect to the farm claimed by all of the individuals in a household.”.

22 **3.** Page 7, line 16: after that line insert:

23 **“SECTION 13d.** 73.09 (1) of the statutes is amended to read:

1           73.09 (1) LOCAL ASSESSMENT PERSONNEL. The department of revenue shall  
2       establish by rule the level of certification under sub. (3), the continuing education  
3       requirements under sub. (4), examinations under sub. (5), and the requirements for  
4       and responsibilities associated with temporary certification under sub. (6) for all  
5       assessors and assessment personnel of each local unit of government and for county  
6       assessor systems under s. 70.99.

7           **SECTION 13e.** 73.09 (1m) of the statutes is created to read:

8           73.09 (1m) PUBLISHING. The department shall publish the levels of certification  
9       for all assessors and assessment personnel of each local unit of government and for  
10      county assessor systems under s. 70.99.”.

11          **4.** Page 8, line 6: after that line insert:

12          **“SECTION 18d.** 77.54 (61) (intro.), (a) and (b) of the statutes, as created by 2013  
13      Wisconsin Act 20, are amended to read:

14          77.54 (61) (intro.) The sales price from the sale of and the storage, use, or other  
15      consumption of the following by a person primarily engaged, as determined by the  
16      department, in commercial printing, not including screen printing or book printing,  
17      without publishing, except for gray goods; printing, or printing and binding, books  
18      or pamphlets without publishing the books or pamphlets; or performing prepress  
19      and postpress services in support of printing activities book printing, or support  
20      activities for printing described under 323111, 323117, and 323120 of the North  
21      American Industry Classification System:

22          (a) Computers and servers ~~that are used~~ primarily to store copies of the product  
23      that are sent to a digital printer, a platemaking machine, or a printing press or used  
24      primarily in prepress or postpress activities.

1 (b) Tangible personal property purchased from out-of-state sellers that are  
2 temporarily stored, remain idle, and not used in this state ~~for not more than 180 days~~  
3 and that are then delivered and used outside of this state.

4 **SECTION 18e.** 77.54 (61) (c) of the statutes is created to read:

5 77.54 (61) (c) In this subsection:

6 1. “Temporarily” means not more than 180 days.

7 2. “Prepress activities” include making print-ready plates, typesetting, trade  
8 binding, and sample mounting.

9 3. “Postpress activities” include paper bronzing, die-cutting, edging,  
10 embossing, folding, gilding, gluing, and indexing.”.

11 **5.** Page 9, line 22: after that line insert:

12 “**SECTION 24m. Effective dates.** This act takes effect on the day after  
13 publication, except as follows:

14 (1) SECTIONS 18d and 18e of this act take effect on October 1, 2013.”.

15 (END)



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-30487

JK:.....

PMNR

10/1/13

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

in 9-4-13  
due Tues 9-10  
Gen

- 1 **AN ACT ...; relating to:** the carry back of net operating losses, the sales and use
- 2 tax exemption for commercial printing, and the relocated business credit.

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***Analysis by the Legislative Reference Bureau***

Under current law, for income tax purposes, under certain circumstances, a taxpayer may claim a Wisconsin net operating loss against Wisconsin taxable income of the two years preceding the year in which the taxpayer sustained the loss. This bill clarifies that a taxpayer need not make an offset against Wisconsin modified taxable income of the two years preceding the loss, if the taxpayer chooses not to carry back the net operating loss to the two years preceding the loss.

Under current law, for income and franchise tax purposes, a taxpayer may not claim a relocated business deduction or tax credit for taxable years beginning after December 31, 2013. Under this bill, a taxpayer who is first eligible to claim a relocated business deduction or tax credit for a taxable year beginning after December 31, 2012, and before January 1, 2014, may claim the deduction or credit in the following taxable year.

Finally, the bill makes technical changes to the sales and use tax exemption for tangible personal property used in commercial printing.

For further information see the **state and local** fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 71.05 (6) (b) 47. am. of the statutes, as affected by 2013 Wisconsin  
2 Act 20, is amended to read:

3           71.05 (6) (b) 47. am. For taxable years beginning after December 31, 2010, and  
4 before January 1, 2014, for 2 consecutive taxable years beginning with the taxable  
5 year in which the claimant's business locates to this state from another state or  
6 another country and begins doing business in this state, as defined in s. 71.22 (1r),  
7 and subject to the limitations provided under subd. 47. d., dm., and e., the profit or  
8 loss from a trade or business as reported on federal income tax return schedules C  
9 and F or their equivalents, plus ordinary gain or loss on the sale of business assets,  
10 as determined under s. 71.01 (6), but not less than zero, multiplied by the  
11 apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7).

History: 2013 a. 20.

12           **SECTION 2.** 71.05 (6) (b) 47. b. of the statutes, as affected by 2013 Wisconsin Act  
13 20, is amended to read:

14           71.05 (6) (b) 47. b. With respect to partners and members of limited liability  
15 companies, for taxable years beginning after December 31, 2010, and before January  
16 1, 2014, for 2 consecutive taxable years beginning with the taxable year in which the  
17 partnership's or limited liability company's business locates to this state from  
18 another state or another country and begins doing business in this state, as defined  
19 in s. 71.22 (1r), and subject to the limitations provided under subd. 47. d., dm., and  
20 e., the partner's or member's distributive share of taxable income as calculated under  
21 section 703 of the Internal Revenue Code; plus the items of income and gain under  
22 section 702 of the Internal Revenue Code, including taxable state and municipal  
23 bond interest and excluding nontaxable interest income or dividend income from  
24 federal government obligations; minus the items of loss and deduction under section

✓  
1 ~~756702~~ 702 of the Internal Revenue Code, except items that are not deductible under  
2 s. 71.21; plus guaranteed payments to partners under section 707 (c) of the Internal  
3 Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de), (2di), (2dj), (2dL),  
4 (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), (3n), (3p), (3q), (3r), (3rm), (3rn), (3s), (3t),  
5 (3w), (5e), (5f), (5g), (5h), (5i), (5j), (5k), (5r), (5rm), and (8r); and plus or minus, as  
6 appropriate, transitional adjustments, depreciation differences, and basis  
7 differences under s. 71.05 (13), (15), (16), (17), and (19), multiplied by the  
8 apportionment fraction determined in s. 71.04 (4) and subject to s. 71.04 (7) or by  
9 separate accounting. No amounts subtracted under this subd. 47. b. may be included  
10 in the modification under par. (b) 9. or 9m.

History: 2013 a. 20.

✓  
11 **SECTION 3.** 71.05 (6) (b) 47. c. of the statutes, as affected by 2013 Wisconsin Act  
12 20, is amended to read:  
13 71.05 (6) (b) 47. c. With respect to shareholders of a tax-option corporation, for  
14 taxable years beginning after December 31, 2010, and before January 1, 2014, for 2  
15 consecutive taxable years beginning with the taxable year in which the tax-option  
16 corporation's business locates to this state from another state or another country and  
17 begins doing business in this state, as defined in s. 71.22 (1r), and subject to the  
18 limitations provided under subd. 47. d., dm., and e., the shareholder's distributive  
19 share of the entity's net income or loss as determined under this chapter, including  
20 interest income from federal, state, and municipal government obligations,  
21 multiplied by the apportionment fraction determined in s. 71.25 (6m) and subject to  
22 s. 71.25 (9) or by separate accounting. No amounts subtracted under this subdivision  
23 may be included in the modification under par. (b) 9. or 9m.

History: 2013 a. 20.

1 *Insert 4-b* SECTION 4. 71.05 (6) (b) 47. dm. of the statutes is created to read: ✓

2 71.05 (6) (b) 47. dm. No person may claim a deduction under this subdivision ✓  
3 for taxable years beginning after December 31, 2013, except that a claimant who is ✓  
4 first eligible to claim a deduction under this subdivision for a taxable year beginning  
5 after December 31, 2012, and before January 1, 2014, may claim the deduction the  
6 following taxable year.

7 SECTION 5. 71.28 (9s) (d) 3. of the statutes, as *created* affected by 2013 Wisconsin Act  
8 20, is amended to read:

9 71.28 (9s) (d) 3. No credit may be claimed under this subsection for taxable  
10 years beginning after December 31, 2013. ~~Credits under this subsection for taxable~~  
11 ~~years that begin before January 1, 2014, may be carried forward to taxable years that~~  
12 ~~begin after December 31, 2013, except that a claimant who is first eligible to claim~~  
13 a credit under this subsection for taxable years beginning after December 31, 2012,  
14 and before January 1, 2014, may claim the credit in the following taxable year.

History: 2013 a. 20.

15 SECTION 6. 71.47 (9s) (d) 3. of the statutes, as *created* affected by 2013 Wisconsin Act  
16 20, is amended to read:

17 71.47 (9s) (d) 3. No credit may be claimed under this subsection for taxable  
18 years beginning after December 31, 2013. ~~Credits under this subsection for taxable~~  
19 ~~years that begin before January 1, 2014, may be carried forward to taxable years that~~  
20 ~~begin after December 31, 2013, except that a claimant who is first eligible to claim~~  
21 a credit under this subsection for taxable years beginning after December 31, 2012,  
22 and before January 1, 2014, may claim the credit in the following taxable year.

History: 2013 a. 20.



ASSEMBLY AMENDMENT,  
TO ASSEMBLY BILL 285

Insert 4-6

1 At the locations indicated, amend the bill as follows:

2 1. Page 6, line 9: after that line insert:

3 ~~SECTION 4d.~~ 71.05 (8) (b) of the statutes, as affected by 2013 Wisconsin Act 20,  
4 is renumbered 71.05 (8) (b) 1.

5 ~~SECTION 4e.~~ 71.05 (8) (b) 2. of the statutes is created to read:

6 71.05 (8) (b) 2. The taxpayer need not make the offset against Wisconsin  
7 modified taxable income of the 2 years preceding the loss, as provided under subd.  
8 1., if the taxpayer chooses not to carry back the net operating loss to the 2 years  
9 preceding the loss.

10 ~~SECTION 4f.~~ 71.05 (8) (c) of the statutes is created to read:

11 71.05 (8) (c) The department shall not pay interest on any overpayment that  
12 results from the carryback of a net operating loss.

13 2. Page 7, line 11: after that line insert:



1 *Current 4-23*  
2 ~~SECTION 11d.~~ 71.52 (6) of the statutes is amended to read:

3 71.52 (6) "Income" means the sum of Wisconsin adjusted gross income and the  
4 following amounts, to the extent not included in Wisconsin adjusted gross income:  
5 maintenance payments (except foster care maintenance and supplementary  
6 payments excludable under section 131 of the internal revenue code), support money,  
7 cash public assistance (not including credit granted under this subchapter and  
8 amounts under s. 46.27), cash benefits paid by counties under s. 59.53 (21), the gross  
9 amount of any pension or annuity (including railroad retirement benefits, all  
10 payments received under the federal social security act and veterans disability  
11 pensions), nontaxable interest received from the federal government or any of its  
12 instrumentalities, nontaxable interest received on state or municipal bonds,  
13 worker's compensation, unemployment insurance, the gross amount of "loss of time"  
14 insurance, compensation and other cash benefits received from the United States for  
15 past or present service in the armed forces, scholarship and fellowship gifts or  
16 income, capital gains, gain on the sale of a personal residence excluded under section  
17 121 of the internal revenue code, dividends, income of a nonresident or part-year  
18 resident who is married to a full-year resident, housing allowances provided to  
19 members of the clergy, the amount by which a resident manager's rent is reduced,  
20 nontaxable income of an American Indian, nontaxable income from sources outside  
21 this state and nontaxable deferred compensation. Intangible drilling costs,  
22 depletion allowances and depreciation, including first-year depreciation allowances  
23 under section 179 of the internal revenue code, amortization, contributions to  
24 individual retirement accounts under section 219 of the internal revenue code,  
25 contributions to Keogh plans, net operating loss carrybacks and carry-forwards and  
capital loss carry-forwards deducted in determining Wisconsin adjusted gross

Insert 4-23

1 income shall be added to "income". "Income" does not include gifts from natural  
2 persons, cash reimbursement payments made under title XX of the federal social  
3 security act, surplus food or other relief in kind supplied by a governmental agency,  
4 the gain on the sale of a personal residence deferred under section 1034 of the  
5 internal revenue code or nonrecognized gain from involuntary conversions under  
6 section 1033 of the internal revenue code. Amounts not included in adjusted gross  
7 income but added to "income" under this subsection in a previous year and repaid  
8 may be subtracted from income for the year during which they are repaid.  
9 Scholarship and fellowship gifts or income that are included in Wisconsin adjusted  
10 gross income and that were added to household income for purposes of determining  
11 the credit under this subchapter in a previous year may be subtracted from income  
12 for the current year in determining the credit under this subchapter. A marital  
13 property agreement or unilateral statement under ch. 766 has no effect in computing  
14 "income" for a person whose homestead is not the same as the homestead of that  
15 person's spouse.

16 **SECTION 11e.** 71.58 (7) (a) of the statutes is amended to read:

17 71.58 (7) (a) For an individual, means income as defined under s. 71.52 (6), plus  
18 nonfarm business losses, plus amounts under s. 46.27, less net operating loss  
19 carrybacks and carry-forwards, less first-year depreciation allowances under  
20 section 179 of the internal revenue code and less the first \$25,000 of depreciation  
21 expenses in respect to the farm claimed by all of the individuals in a household.

22 **3.** Page 7, line 16: after that line insert:

23 **"SECTION 13d.** 73.09 (1) of the statutes is amended to read:

Insert 4-23

73.09 (1) LOCAL ASSESSMENT PERSONNEL. The department of revenue shall establish by rule the level of certification under sub. (3), the continuing education requirements under sub. (4), examinations under sub. (5), and the requirements for and responsibilities associated with temporary certification under sub. (6) for all assessors and assessment personnel of each local unit of government and for county assessor systems under s. 70.99.

SECTION 13e. 73.09 (1m) of the statutes is created to read:

73.09 (1m) PUBLISHING. The department shall publish the levels of certification for all assessors and assessment personnel of each local unit of government and for county assessor systems under s. 70.99.”.

4. Page 8, line 6: after that line insert:

SECTION 18d. 77.54 (61) (intro.), (a) and (b) of the statutes, as created by 2013 Wisconsin Act 20, are amended to read:

77.54 (61) (intro.) The sales price from the sale of and the storage, use, or other consumption of the following by a person primarily engaged, as determined by the department, in commercial printing, not including screen printing or book printing, without publishing, except for gray goods; printing, or printing and binding, books or pamphlets without publishing the books or pamphlets; or performing prepress and postpress services in support of printing activities book printing, or support activities for printing described under 323111, 323117, and 323120 of the North American Industry Classification System:

(a) Computers and servers that are used primarily to store copies of the product that are sent to a digital printer, a platemaking machine, or a printing press or used primarily in prepress or postpress activities.

*Insect 4-23*

(b) Tangible personal property purchased from out-of-state sellers that are temporarily stored, remain idle, and not used in this state ~~for not more than 180 days~~ and that are then delivered and used outside of this state.

~~SECTION 18d.~~ 77.54 (61) (c) of the statutes is created to read:

77.54 (61) (c) In this subsection:

1. "Temporarily" means not more than 180 days.

2. "Prepress activities" include making print-ready plates, typesetting, trade binding, and sample mounting.

3. "Postpress activities" include paper bronzing, die-cutting, edging, embossing, folding, gilding, gluing, and indexing." *De*

*5.* Page 9, line 22: after that line insert:

~~SECTION 24m.~~ **Effective dates.** This act takes effect on the day after publication, except as follows:

*change  
comptent to  
tat: NS. effdate* → (1) ~~SECTIONS 18d and 18e~~ of this act take effect on October 1, 2013." *De*

(END)

*The treatment of sections 77.54(61)(intro.), (a), (b), and (c) of the statutes takes*

*end of Insect 4-23*

## Kreye, Joseph

---

**From:** Wagner, Michael W - DOR <MichaelW.Wagner@revenue.wi.gov>  
**Sent:** Thursday, September 19, 2013 6:16 PM  
**To:** Kreye, Joseph  
**Subject:** RE: Draft review: LRB -3048/P1 Topic: DOR technical; various changes

Joe,

The effective date probably also needs adjusting since this won't pass prior to October 1, 2013, which is when the printing exemptions in current statute take effect.

I think that LRB's construct is along these lines would result in page 8, line 2 to change to, "...takes effect, retroactively, on October 1, 2013."

-Mike

---

**From:** Wagner, Michael W - DOR  
**Sent:** Thursday, September 19, 2013 5:47 PM  
**To:** Kreye, Joseph - LEGIS  
**Subject:** RE: Draft review: LRB -3048/P1 Topic: DOR technical; various changes

Joe,

Thanks for educating me on "includes but not limited to." I discussed the issue with staff, and we were looking at other statutes as a parallel, which contain the old language.

We can live without the "but not limited to."

Also, since I last e-mailed you, the relocation credit sunset exception was put back in. So please disregard the part of my e-mail requesting its deletion. I'm really trying to keep the drafting/redrafting requests down for this, but I'm stuck with changing minds around me on the topics included.

-Mike

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**From:** Kreye, Joseph [<mailto:Joseph.Kreye@legis.wisconsin.gov>]  
**Sent:** Thursday, September 19, 2013 9:12 AM  
**To:** Wagner, Michael W - DOR  
**Subject:** RE: Draft review: LRB -3048/P1 Topic: DOR technical; various changes

Thanks Mike.

I'll make the changes except for the "include, but not limited to" suggestion. Although there are old examples of this language in the statute, it has been our practice for quite some time to not use this phrase because it is redundant. From the drafting manual:

The term "includes" conveys a meaning of nonexclusiveness and allows a court or administering agency to adopt additional meanings; using "means" restricts them to reasonable constructions of your wording. Do not use "includes but is not limited to." That phrase is redundant. See sec. 7.08, Drafting Manual [discussing court interpretation of a list of items following the word "includes"]. See also State v. Popenhagen, 2008 WI 55, 309 Wis. 2d 601, 622-24 [comparing "means" and "includes," interpreting items listed after the word "includes," and citing the Drafting Manual with reference to the phrase "but is not limited to" and other matters]; Hirschhorn v. Auto-Owners Ins. Co., 2012 WI 20, W36, 338 Wis. 2d 761 ["When a list of terms follows the word "includes," the list is commonly understood to be non-exhaustive."].

Normally I wouldn't throw the drafting manual at you, so to speak, but the issue comes up a lot.

Joe

**Joseph T. Kreye**  
Senior Legislative Attorney  
Legislative Reference Bureau  
608 266 2263

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**From:** Wagner, Michael W - DOR [mailto:MichaelW.Wagner@revenue.wi.gov]  
**Sent:** Wednesday, September 18, 2013 8:05 PM  
**To:** Kreye, Joseph  
**Subject:** RE: Draft review: LRB -3048/P1 Topic: DOR technical; various changes

Forgot one...

Add: "Create: 71.07(5i)(c)3., 71.28(5i)(c)3., and 71.47(5i)(c)3.:

3. No credit may be claimed under this subsection based on an amount paid under par. (b) after December 31, 2013."

This relates to the expiring Electronic Medical Records Credit and allows us to make our final allocation (when we still have funds available) in 2014.

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**From:** Wagner, Michael W - DOR  
**Sent:** Wednesday, September 18, 2013 8:01 PM  
**To:** Kreye, Joseph - LEGIS  
**Subject:** FW: Draft review: LRB -3048/P1 Topic: DOR technical; various changes

Hi Joe,

Thanks for all of your work on this bill thus far. Unfortunately, I suspect that I'm going to keep coming back with new drafting iteration requests since I'm dealing with lots of stakeholders who are undecided about final items for inclusion. I think that after the next draft, I'll request that other provisions be drafted as simple amendments (if that works and they are germane) to avoid having to keep asking for redrafts. That way, Legislators can introduce them if they are inclined, and if not, we didn't have to go through another round of drafting.

The revisions to this draft are as follows:

Delete: Pages 4-5, Sections 8 and 9 (in other words, please remove the relocation credit sunset exception completely)

Page 7, line 16 "...and that are then delivered and used solely outside of this state."

Page 7, line 20..."2. 'Prepress activities' include, but are not limited to, making print ready plates, typesetting, trade..."

Page 7, line 22..."3. 'Postpress activities' include, but are not limited to, paper bronzing, die cutting, edging..."

Add: LRB 3101/P1 (attached).

Thanks, Joe. I'll be calling in a few days to discuss other drafting needs related to this when I get more direction.

Regards,

Mike Wagner  
Deputy Administrator, Division of Research & Policy  
Wisconsin Department of Revenue

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**From:** LRB.Legal [<mailto:lrblegal@legis.wisconsin.gov>]  
**Sent:** Friday, September 06, 2013 10:55 AM  
**To:** Wagner, Michael W - DOR  
**Subject:** Draft review: LRB -3048/P1 Topic: DOR technical; various changes

**Following is the PDF version of draft LRB -3048/P1.**

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